



March 31, 2021

**CERTIFIED MAIL RETURN RECEIPT REQUESTED**

Kara Lomen, Executive Director  
Partners in Nutrition dba Partners in Quality Care  
1035 West 7<sup>th</sup> Street  
St. Paul, MN 55102-3827

Jim Handrigan, President, Board of Directors  
Partners in Nutrition dba Partners in Quality Care  
2713 Colfax Ave S  
Minneapolis, MN 55408

Re: Sponsor Number 2000010186

Dear Ms. Lomen and Mr. Handrigan:

This letter concerns the Failure by Partners in Quality Care to operate the Child and Adult Care Food Program in conformance with the performance standards set forth in 7 CFR 226.6(b)(1)(xviii); (b)(2)(vii); of Partners in Quality Care's operation of the Child and Adult Care Food Program (CACFP).

#### SERIOUS DEFICIENCY DETERMINATION

Based on the concerns, the Minnesota Department of Education (MDE) has determined that Partners in Quality Care is seriously deficient in its operation of the CACFP. In addition, the MDE has identified Kara Lomen and Jim Handrigan as responsible for the serious deficiencies in light of their responsibility for the overall management of Partners in Quality Care's operations.

If Partners in Quality Care does not fully and permanently correct all of the serious deficiencies and submit documentation of the corrective action by April 30, 2021, the State agency will:

- Propose to terminate Partners in Quality Care's agreement to participate in the CACFP,
- Propose to disqualify Partners in Quality Care from future CACFP participation,
- Propose to disqualify Kara Lomen and Jim Handrigan from future CACFP participation.

In addition, if Partners in Quality Care voluntarily terminates its agreement after receiving this letter, the State agency will propose to disqualify Partners in Quality Care, Kara Lomen, and Jim Handrigan from future CACFP participation. If disqualified, Partners in Quality Care, Kara Lomen, and Jim Handrigan will be placed on the National Disqualified List (NDL).

While on the list, Partners in Quality Care will not be able to participate in the CACFP as an institution or facility. Kara Lomen and Jim Handrigan will not be able to serve as a principal in any institution or facility or as a day care home provider in the CACFP.

**Ex. C**

Institutions and individuals remain on the NDL until USDA's Food and Nutrition Service, in consultation with the MDE, determines that the serious deficiencies have been corrected, or until seven years after their disqualification. However, if any debt relating to the serious deficiencies has not been repaid, they will remain on the list until the debt has been repaid.

These actions are being taken pursuant to 7 CFR 226.6(c)(3) of the CACFP regulations.

#### SERIOUS DEFICIENCIES AND REQUIRED CORRECTIVE ACTION

##### 1. *Performance Standard 1—Financial viability and financial management.*

- a. The CACFP Program Year (PY) 2021 application in the Cyber-Linked Interactive Child Nutrition System (CLiCS) does not reflect an accurate representation of Partner in Quality Care's operations. Partners in Quality Care has submitted over 300 requests for site ID's since December 1, 2020. The PY2021 CACFP Budget Worksheet included 223 total sites which was a 10% growth rate from PY2020. To date Partners in Quality Care has 232 CACFP applications in Program year 2021.
  - i. Required corrective action is to upload an updated budget worksheet to the CACFP application which depicts accurate representation of operations.
  - ii. Partners in Quality Care must also provide process for how growth over the approved 10% is handled, staffed and ensures program compliance.
- b. Of the site ID requests that have been evaluated, Partners in Quality Care has submitted those site ID request forms with an error rate of 36%. That means approximately 1 in 3 site ID requests are not able to be created due to improper vetting of sites. This includes; incorrect address, site organization that is already being operated by School Food Authority or other sponsor, private residence submitted as a CACFP site, and multiple other inaccuracies. Additionally, MDE has been contacted by property owners expressing concern why sites are being operated on their property without their knowledge or permission. Partners in Quality Care has been identified as operating a number of the sites reported by property owners.
  - i. Required corrective action must include plan and procedure to correct site ID inaccuracies, timeline and proper vetting of site. Upload procedure to the Management Plan.
  - ii. Required corrective action must include a plan and procedure to obtain permission from property owners of operating sites at their locations.

##### 2. *Performance Standard 2—Administrative capability.*

- a. Partners in Quality Care received over \$11,293,189.18 as of the date of this letter in CACFP reimbursement. The current budget was submitted and approved for a total CACFP reimbursement of \$917,777.28.
  - i. Required corrective action is to update the budget worksheet and submit the justification for eligible expenses to prove the administrative cost rate of 15%.
  - ii. Required corrective action is to provide explanation of how growth of claims are handled. The procedure of how financial processes are handled, internal controls and list of staff and their job duties as pertains to financial process must be submitted.
- b. The Management Plan has not been updated to include updated procedures.
  - i. Required corrective action is for Management Plan to be fully updated with current staff roster, procedure of determine need of sites and recruitment practices, and training.

##### 3. *Performance Standard 3—Program accountability.*

- a. Minnesota Department of Education has received four complaints since January 1, 2021 of current sites reporting the operations of Partners in Quality Care to be out of compliance with CACFP regulations. These complaints include a site in which was told how to operate the SFSP

program but the site is being claimed as CACFP. The second complaint is a site who reported they were not trained to provide an enrichment program, serve all persons (including those over the age of 18) meals and food is served not as meals but instead dry goods. The third complaint is a site who was trained to register their address as a site but served food in different counties. The fourth complaint includes multiple property owners who expressed they have not given permission to Partners in Quality Care to operate as sites on their property. Minnesota Department of Education is currently investigating these complaints and will release findings when that research is concluded.

- i. Required corrective action is to submit current training plan for onboarding, site list with updated distribution times and days of week including meal types.
- ii. Other required corrective action may be required after the initial research is concluded.

As a result of this serious deficiency, Partners in Quality Care Program Meal claims will be held on “stop pay” until the claim is validated by the state agency, which will be determined by your submission of the corrective action plan and meal validation documentation. No additional site IDs will be created in CLICS nor transferred to Partners in Quality Care and all pending CACFP applications will be suspended effective March 31, 2021.

Also as a result of this serious deficiency your Summer Food Program (SFSP) application for Program Year 2022 will be denied as per 7 CFR 225.6(b)(9) and 7 CFR 225.11(c).

#### SUMMARY

The State agency has determined that Partners in Quality Care is seriously deficient in its operation of the CACFP and that Kara Lomen and Jim Handrigan are responsible for the serious deficiencies. The institution must provide documentation that shows it has taken the required corrective action for each of the serious deficiencies cited in this letter. The documentation must be received (not just postmarked) by April 30, 2021.

If the State agency does not receive the documentation of the corrective action by the due date, or if we determine that the actions taken do not fully and permanently correct all of the serious deficiencies, we will propose to terminate Partners in Quality Care’s CACFP agreement and will disqualify Partners in Quality Care, Kara Lomen, and Jim Handrigan from further participation in the CACFP.

The institution may not appeal the serious deficiency determination. However, if the MDE proposes to terminate Partners in Quality Care’s agreement and disqualify Partners in Quality Care, Kara Lomen, or Jim Handrigan, the institution will be able to appeal those actions. The institution will be advised of appeal rights and the appeal procedures at that time.

Partners in Quality Care may continue to participate in the CACFP during the corrective action period. Valid claims for reimbursement submitted by Partners in Quality Care for this period will be paid. However, stop pay will be enacted so that the state agency may review the claims prior to issuing payment. As always, the institution must submit claims within 60 calendar days of the last day of the month covered by the claim. In addition, the State agency will deny any portion of a claim determined invalid. If payment of any portion of a claim is denied, that action may be appealed.

If the MDE receives the documentation of the institution’s corrective action by April 30, 2021 and determines that the corrective action plan fully and permanently corrects all of the serious deficiencies, the MDE will temporarily defer the determination of serious deficiency.

The MDE may conduct an unannounced follow-up review to verify the adequacy of the corrective action. If the MDE finds in a follow-up review or any subsequent review that any of these serious deficiencies have not been

fully and permanently corrected, the MDE will immediately propose to terminate Partners in Quality Care's agreement and propose to disqualify Partners in Quality Care, Kara Lomen, and Jim Handrigan without any further opportunity for corrective action.

Sincerely,

A handwritten signature in black ink that reads "Emily Honer". The script is cursive and fluid, with the first name "Emily" and last name "Honer" clearly distinguishable.

Emily Honer  
Supervisor, Nutrition, Health and Youth Development  
cc: FNS Regional Office